

INTERVENTION



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BEFORE THE ARIZONA CORPORATIC
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COMMISSIONERS

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2010 MAR -1 P 12:40

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE
APPLICATION OF ARIZONA-
AMERICAN WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS ANTHEM WATER DISTRICT AND
ITS SUN CITY WATER DISTRICT

DOCKET NO. W-01303A-09-0343

Arizona Corporation Commission
DOCKETED

MAR - 1 2010

DOCKETED BY

IN THE MATTER OF THE
APPLICATION OF ARIZONA-
AMERICAN WATER COMPANY, AN
ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS ANTHEM/AGUA FRIA WATER
DISTRICT, ITS SUN CITY
WASTEWATER DISTRICT, AND ITS SUN
CITY WEST WASTEWATER DISTRICT

DOCKET NO. SW-01303A-09-0343

**RESORTS' MOTION TO
INTERVENE**

**(EXPEDITED RULING
REQUESTED)**

The Camelback Inn, Sanctuary on Camelback Mountain, the Intercontinental Montelucia Resort and Spa, and the Scottsdale Cottonwoods Resort and Suites, collectively (the "Resorts"), hereby move the Arizona Corporation Commission ("Commission") for leave to intervene in the above-captioned proceeding pursuant to A.A.C. R14-3-105. This motion is supported by the following facts and information:

1. On December 8, 2009, the Commission issued Decision No. 71410, Docket Nos. W-01303A-08-0227 and SW-01303A-08-0227, granting an increase in rates for the following districts of Arizona American Water Company ("Arizona-American"): Agua

1 Fria Water District, Havasu Water District, Mohave Wastewater District Paradise Valley
2 Water District, Sun City West Water District, Tubac Water District, and Mohave Water
3 District ("Multi-District Rate Case").

4 Decision 71410 contains the following findings:

5 We believe that the issue of consolidation merits thorough
6 vetting, discussion and public participation. In the instant
7 proceeding, parties have argued that further development of
8 the issue is needed. Accordingly, we find it reasonable to defer
9 this issue in the instant rate case but keep this docket open for
10 the limited purpose of consolidation discussion.

11 While the Commission will defer addressing consolidation in
12 the instant case, we believe this issue is of critical importance
13 and that unnecessary delay does not allow customers to benefit
14 from administrative expediency, economies of scale and other
15 efficiencies which would otherwise occur through
16 consolidation. Accordingly, we will require Commission Staff
17 to propose at least one consolidation proposal in the
18 Company's next rate case which will allow parties and the
19 public ample opportunity to have notice of this issue and
20 participate in that discussion. We also believe the Company
21 should commence a dialogue with its customers as soon as
22 practicable, and will require it to initiate town hall-style
23 meetings in all of its service territories to begin
24 communicating with consumers the various impacts of system
25 consolidation in each of those service territories, and to collect
26 feed-back from consumers on such consolidation.

27 Decision No. 71410 at 51.

28 2. Decision 71410 also contained the following Ordering Paragraph:

IT IS FURTHER ORDERED that this docket shall remain
open for the limited purpose of consolidation in the
Company's next rate case with a separate docket in which a
revenue-neutral change to rate design of all Arizona-American
Water Company's water districts or other appropriate
proposals or all Arizona-American's water and wastewater
districts or other appropriate proposals may be considered
simultaneously, after appropriate public notice, with

appropriate opportunity for informed public comment and participation.

Decision No. 71410 at 78.

3. On January 28, 2010, representatives of the Resorts were invited to a meeting at the offices of Arizona American entitled, "Training and Development in Rate Consolidation Scenarios," to take place on February 10, 2010." On February 10, 2010, the representatives learned that the above-captioned case was pending. In addition, the representatives were provided the attached agenda (Exhibit A) in which they were informed that Staff would be making a rate consolidation proposal on March 22, 2010 in this docket, and that responsive testimony to Staff's proposal would be due on or about April 5, 2010.

4. It is the Resorts' understanding that the Multi-District Rate Case and the above-captioned dockets have never been consolidated. February 10, 2010 was the first time that the Resorts had notice that the parties in this case were moving forward with rate consolidation, and that a possible consolidated rate structure would be developed for the Commission's consideration in this rate case that would then be applied to the other districts.

5. It appears this is the "separate docket in which a revenue-neutral change to rate design of all Arizona-American Water Company's water districts or other appropriate proposals or all Arizona-American's water and wastewater districts or other appropriate proposals may be considered simultaneously, after appropriate public notice, with appropriate opportunity for informed public comment and participation." (Decision No. 71410). The Resorts note that there may be other customers of Arizona American's service districts that have not been provided notice of this proceeding and may be directly and substantially affected by rate consolidation.

6. The Resorts are customers of Arizona American and were intervenors in the Multi-District Rate Case. In addition, the Resorts are directly and substantially affected

1 by any rate consolidation developed in this proceeding.

2 7. Although the timeframe for intervention has passed, based upon the lack of
3 consolidation of the two dockets and therefore lack of notice, the Resorts respectfully
4 request a waiver of the intervention deadline and that the Commission grant their motion
5 to intervene in the above-captioned proceeding. The Resorts did not delay but filed this
6 motion as soon as they became aware that their respective interests would be directly and
7 substantially affected by this proceeding.¹

8 8. Granting intervenor status to the Resorts will not cause the issues to be unduly
9 broadened. Counsel for the Resorts has contacted counsel for the Company, Staff, and
10 RUCO and was informed that none of those parties would object to the Resorts'
11 intervention in this case.

12 9. Given the procedural deadlines in this case, the Resorts respectfully request an
13 expedited ruling on this Motion to Intervene so that the Resorts have an adequate
14 opportunity to participate in this proceeding.

15 10. The name, address, telephone number, facsimile number and e-mail address of
16 the attorneys for the Resorts, upon whom service of all documents is to be made are:

17 Jeff Crockett, Esq.
18 Robert Metli, Esq.
19 SNELL & WILMER L.L.P.
20 One Arizona Center
21 400 East Van Buren Street
22 Phoenix, Arizona 85004-2202
23 Phone: (602) 382-6000
24 Facsimile: (602) 382-6070
25 E-mail: rmetli@swlaw.com

26 WHEREFORE the Resorts request that the Commission grant their motion to
27 intervene in the above-captioned proceeding.

28 ¹ It should be noted that A.A.C. R14-3-105(B) provides that applications to intervene shall be sent and
filed at least five days before the proceeding is called to hearing.

1 RESPECTFULLY submitted this 1st day of March, 2010.

2 SNELL & WILMER

3
4 
5 Jeffrey W. Crockett, Esq.

6 Robert J. Metli, Esq.

7 One Arizona Center

8 Phoenix, Arizona 85004-2202

9 Attorneys for Arizona-American Water Company

10 ORIGINAL and thirteen (13) copies of the
11 foregoing have been filed with Docket
12 Control this 1st day of March, 2010

13 A COPY of the foregoing was hand-
14 delivered this 1st day of March, 2010, to:

15 Teena Wolfe
16 Administrative Law Judge
17 Hearing Division
18 Arizona Corporation Commission
19 1200 West Washington St.
20 Phoenix, Arizona 85007

Janice Alward, Chief Counsel
Legal Division
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007

21 Lyn Farmer
22 Chief Administrative Law Judge
23 Hearing Division
24 Arizona Corporation Commission
25 1200 West Washington St.
26 Phoenix, Arizona 85007

Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington St.
Phoenix, Arizona 85007

27 A COPY of the foregoing was
28 mailed this 1st day of March, 2010, to:

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Larry Woods
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Sun City West, AZ 85375

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Phoenix, AZ 85007

EXHIBIT A

Rate Consolidation Training & Scenario Development
8:30am – noon, February 10, 2010
Arizona American Water
2355 W. Pinnacle Peak Road, Suite 300

AGENDA

8:30am – 9:15 am

1. Introductions
2. Brief history & procedural context of training & scenario development
 - Staff proposal March 22, 2010
 - Responsive April 5, 2010
3. Defining rate consolidation, its potential scope and customer benefits:
 - A single set of tariffs for all communities by class and by water and wastewater
 - Revenue neutral transition
 - Case study: Sun City future capital projects
 - Other customer benefits & impacts

9:30 am - Noon

4. Explanation of rate consolidation spreadsheet model – live demonstration & review of default scenario
5. Development of rate consolidation scenarios
6. Future support for development of scenarios
7. Group discussion of scenarios